

BEFORE THE ILLINOIS COMMERCE COMMISSION

I-Element, Inc. :  
Application for a certificate of local authority :  
to operate as a facilities based carrier of : Docket No. 04-0691  
telecommunications services in the Chicago :  
LATA area in the State of Illinois. :

**PREFILED DIRECT TESTIMONY OF IVAN ZWEIG**

**General Questions**

**Q. Please state your name and business address.**

Ivan Zweig  
I-Element, Inc.  
Suite 102 PMB 341  
17194 Preston Road  
Dallas, Texas 75248

**Q. Are you an officer of the applicant, I-Element, Inc.?**

A. Yes, I am the sole director and officer of I-Element, Inc.

**Q. To the best of your knowledge, information, and belief, are all statements of fact contained in I-Element's application in this matter true, and is the application a true statement of the business and affairs of I-Element, Inc. in respect to each and every matter set forth therein?**

A. Yes, it is.

**Q. Please provide evidence of the applicant's managerial and technical resources and ability to provide service.**

A. Please see attached Exhibit 1. The Exhibit lists the business and technical experience of many of the applicant's employees and owners. The company's employees have over 42 years of experience in the telecommunications field. This high level of telecommunications experience is evidence of the applicant's technical resources and ability to provide service. Many employees and the owners of the company have extensive business experience in other fields. This experience will contribute to the applicant's ability to successfully manage the business and provide service.

**Q. In what areas of the state of Illinois does the applicant propose to provide service?**

A. The applicant proposes to provide service in the Chicago LATA area of Illinois.

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## **911 Questions**

**Q. Please provide the name, address, telephone and fax number of the 911 contact person for your company.**

A. Alex Ponnath  
Chief Technical Officer  
I-Element, Inc.  
Suite 102 PMB 341  
17194 Preston Road  
Dallas, Texas 75248  
(888) 832-9422 (telephone)  
(214) 254-3500 (facsimile)  
alexp@ielement.com

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**Q. Will your company ensure that its 911 traffic is handled in accordance with the 83 Illinois Administrative Code Part 725 and the Emergency Telephone System Act?**

A. Yes, I-Element will ensure that its 911 traffic is handled in accordance with the 83 Illinois Administrative Code Part 725 and the Emergency Telephone System Act.

**Q. Will your company contact and establish a working relationship with the 911 systems when you begin to provide local telephone service?**

A. Yes, it will.

**Q. Will your company coordinate with the incumbent LEC(s) and local 911 systems to provide transparent service for your local exchange customers?**

A. Yes, it will.

**Q. Who will be responsible for building and maintaining the 911 database for your local exchange customers?**

A. Alex Ponnath will be responsible for building and maintaining the 911 database for our local exchange customers.

**Q. How often will your company update the 911 database with customer information?**

A. We will update the 911 database within two business days after new information has been provided.

**Q. Will your company's billing system have the ability to distinguish between facilities based and resale for the collection of the 911 surcharge?**

**A. Yes, it will.**

**Q. Does your company have procedures for the transitioning of the 911 surcharge collection and disbursement to the local 911 system?**

**A. Yes, it does.**

**Q. Will your company's proposal require any network changes to any of the 911 systems?**

**A. No, it will not.**

**Q. Will your company be able to meet the requirements specified under Part 725.500(o) and 725.620(b) for the installation of call boxes?**

**A. No, it will not.**

**Q. Does your company plan to file for a waiver of Part 725.500(o) and 725.620(b) in the future?**

**A. We requested a waiver of Part 725.500(o) and 725.620(b) in our original application.**

#### **Financial Questions**

**Q. Is the financial information submitted to the Commission with the application still representative of the financial condition of the applicant?**

**A. Yes, it is.**

**Q. What circumstances warrant a departure from the prescribed Uniform System of Accounts ("USOA")?**

**A. The Applicant is a competitive local exchange carrier ("CLEC"). The USOA was developed to prescribe how ILECs record and allocate their revenues and costs. The USOA has been used for various purposes, such as interstate access charges, jurisdictional separations, and calculating universal service support. While the USOA has served a useful purpose to standardize ILEC accounting procedures, the USOA's requirements do not apply as well to a CLEC's operations. The Applicant will comply with Generally Accepted Accounting Procedures and maintain records to allow it to meet its financial and reporting obligations.**

**Q. Will records be maintained in accordance with Generally Accepted Accounting Principles ("GAAP")?**

A. Yes, they will.

**Q. Will the applicant's accounting system provide an equivalent portrayal of operating results and financial condition as the USOA?**

A. Yes, we believe it will.

**Q. Will the applicant's accounting procedures maintain or improve uniformity in substantive results as among similar telecommunications companies?**

A. Yes, it will.

**Q. Will the applicant maintain its records in sufficient detail to facilitate the calculation of all applicable taxes?**

A. Yes, it will.

**Q. Does the accounting system currently in use by the applicant provide sufficiently detailed data for the preparation of Illinois Gross Receipts Tax returns? What specific accounts or sub-accounts provide this data?**

A. Yes. The Applicant utilizes a software program named "Omnibill." Its billing sub-system will allow the Applicant to maintain data for the preparation of the Illinois Gross Receipts Tax Return.

**Q. If a waiver of Part 710 is granted, will the applicant provide annual audited statements or all periods subsequent to granting of the waiver?**

A. Yes, if required or requested by the Commission, we will provide annual statements to the Commission.

**Q. Does the applicant agree that the requested waiver of Part 710 will not excuse it from compliance with future Commission rules or amendments to Part 710 otherwise applicable to the Company?**

A. Yes.

**Q. Does this conclude your prefiled testimony?**

A. Yes, it does.

**Exhibit 1**

**Evidence of the Applicant's Managerial and Technical Resources  
and Ability to Provide Service**

**Evidence of the Applicant's Managerial and Technical Resources  
and  
Ability to Provide Service**

Ivan Zweig, Chief Executive Officer of I-Element, Inc., has over seven years experience in the telecommunications industry. Mr. Zweig was Sales Manager of MidCom Communications and later served as Sales Manager for Net-tel Communications. Mr. Zweig founded Integrated Communications Consultants ("ICC") in 1998 and developed it into a successful billing consultancy firm and data traffic aggregator.

Alex Ponnath, Chief Technical Officer of I-Element, Inc., has over seven years experience in the area of IP networking. Mr. Ponnath worked for ICC as Chief Technical Officer from 2000 to 2003. Mr. Ponnath served as Chief Technology Officer of NKOB Networks, an ISP based in Los Angeles, where he was responsible for all technical aspects of the day-to-day business including network build-out, infrastructure planning, and vendor management. Mr. Ponnath was Senior Network Engineer at Interconnect Nextcom, where he built out the company-wide voice over IP infrastructure and computer network.

Heather Walther, VP of Customer Service, has over six years experience in telecommunications sales in the LA and Dallas markets. She was a Sales Manager in the LA and Dallas markets for two and a half years and hired, trained, and managed ten sales representatives in the Los Angeles market and opened up a Dallas office. Ms. Walther has been I-Element's Customer Service Manager for two years, helping to develop the Customer Service Division while assisting with customer account needs (moves, adds, changes, deletions), troubleshooting issues internally with the I-Element executive team to ensure exceptional customer service, and training I-Element employees on customer service standards.

Albert Marrero, Network Operations Manager, has over ten years WAN experience in the data and telecommunications industry, and has worked as Manager of Network Operations for a CLEC for the past four years, working with a wide variety of data and telecommunications equipment and technologies, including Class 4 and 5 switches.

Debra Chase, VP of Administration, has over twenty one years in the Customer Service industry with over six years specializing in telecom. Five years ago, she evolved from a Sales Rep in the Los Angeles market to I-Element's VP of Administration and oversees I-Element's Billing, Customer Relations, and Human Resources Departments. She also assists in the Operations and Customer Service Divisions.

Pete Walther, NOC Manager, has over six years of telecom experience. Mr. Walther is able to run DS3/DS1 connects to DS1/DS3 MUXs, panels, and switches. He is fluent in Acterna/Tberd equipment, able to test and troubleshoot fiber/DS3/DS1 cross-connects throughout hardware and the media. He is able to test and provision VC cross-connects over a network infrastructure and is responsible for testing and accepting new loops provisioned by ILECs. He manages any outages for DS1 that requires any intrusive testing to the NIU/smart jack or to customers' premises. Mr. Walther is certified in Cisco and tekelec Class 5 switches.

Barry F. Brault, shareholder in I-Element, Inc., is the Executive Director, Treasury Operations at Paramount Pictures. Mr. Brault has been with Paramount Pictures for the past 17 years. During this time, he has served with the accounting and finance divisions of the company. Mr. Brault has served as Director of Financial Reporting for Paramount, which included SEC reporting. Previous to his employment at Paramount, Mr. Brault was employed at the Price Waterhouse Coopers accounting firm where most of his clients were SEC reporting companies that included the telecommunications, public utility, and oil, gas and mining sectors of industry.

Terrence C. Byrne, shareholder in I-Element, Inc., has been involved in the high technology venture capital arena for over a decade. He is Principal and founder of T.T. Byrne Capital Investments, Inc., where he has acted as an investment banker and advisor to The Bartholomew Venture Capital Fund, which has invested in e-commerce, telecommunications, and food service industries.

Chet Zalesky, shareholder in I-Element, Inc., is President of Consumermetrics, Inc. ("CMI"). Mr. Zalesky founded CMI in 1989, after a number of years with research companies and as an independent consultant. His focus is on helping companies align customer needs with business initiatives and profitability. His mission in establishing CMI was to create a truly consultative company committed to developing holistic information solutions. He is a frequent public speaker, active American Marketing Association (AMA) member, and a member of the Board of Directors of the Council of American Survey Research Organizations (CASRO).

Dennis Zweig, President of March Enterprises, Inc., a shareholder in I-Element, Inc. March Enterprises provides sales and marketing experience of products in both manufacturing and distribution for department and discount stores across the United States.